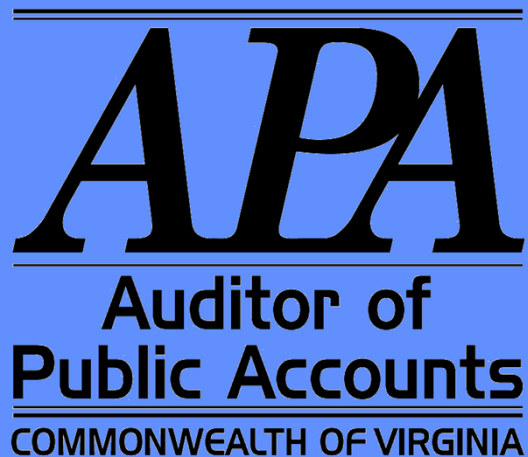


**STATE LOTTERY DEPARTMENT
POWER PLAY**

**REPORT ON APPLYING AGREED-UPON PROCEDURES
FOR THE PERIOD
JANUARY 31, 2010 THROUGH MARCH 31, 2011**





Commonwealth of Virginia

Auditor of Public Accounts

Walter J. Kucharski
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

July 6, 2011

Members of the Virginia State Lottery Board
900 East Main Street
Richmond, Virginia

Independent Auditor's Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated below, which were agreed to by the Virginia Lottery Department and the other member lotteries in the states of Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Texas, and Washington (referred to as the "Member Lotteries"), which operate Power Play, solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with Power Play: Virginia Lottery's sales and prize expense for the period January 31, 2010 through March 31, 2011, and the Virginia Lottery's receivable or payable as of March 31, 2011. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Virginia Lottery and Member Lotteries. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures that we performed and our findings are as follows:

- A. We obtained from the Virginia Lottery the "Draw Activity" and the "Fixed Prize Analysis" reports for the period January 31, 2010 through March 31, 2011 and attached those as Exhibits I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following seven Power Play draw dates from the period January 31, 2010 through March 31, 2011:

February 17, 2010	September 4, 2010
March 20, 2010	September 18, 2010
July 31, 2010	November 6, 2010
August 14, 2010	
- C. For each Power Play draw date selected in step "B" above, we compared the total amount of sales as shown on the daily sales report produced by the Virginia Lottery's gaming system and the total amount of sales shown on the related daily sales report produced by the Internal Control System (ICS) with the balance listed in the "sales" column for the respective draw date on the "Draw Activity" report attached as Exhibit I and found them to be in agreement.

- D. We calculated the total dollar amount of the fixed prizes for the draw dates selected in step “B” above, based on the total number of winners from the Virginia Lottery’s gaming system for each prize level and the prize structure of the Power Play fixed prizes (as defined in the official game rules). We compared the calculated expense with the amount listed in the “Actual Fixed Prizes” column for the respective draw date on the “Draw Activity” report attached as Exhibit I and found them to be in agreement.
- E. For each draw date selected in step “B” above, we compared the amount of sales, actual fixed prizes, and share of fixed prizes shown on the “Draw Activity” report attached as Exhibit I to the amounts shown on the applicable Power Play Settlement Reports and found them to be in agreement.
- F. For the period identified, we randomly selected two months and obtained the “Expired Prize Settlement Report” distributed by the Virginia Lottery. For the two months selected (February 2010 and April 2010) we obtained from the Virginia Lottery’s ICS the actual fixed prizes awarded, and the prizes unclaimed. We compared the ICS data back to the data reported from the Virginia Lottery for each draw of the subject months to ensure they are in agreement.
- G. We compared the amounts shown as the total of the actual fixed prizes and the total of the shared fixed prizes on the “Draw Activity” report attached as Exhibit I to the applicable amounts shown on the “Fixed Prize Analysis” report attached as Exhibit II and found them to be in agreement.
- H. We compared the total of the quarterly transfers to/from the Virginia Lottery for settlement of the shared prize liability as shown in the Virginia Lottery’s cash disbursement subsidiary records to the amount listed in the “Qtrly/Yrly Settlements Transfers In/ (Out)” column on the “Fixed Prize Analysis” report attached as Exhibit II and found them to be in agreement.
- I. We compared the balance listed as the Virginia Lottery’s payable/receivable as of March 31, 2011 for the fixed prizes as shown on the “Fixed Prize Analysis” report attached as Exhibit II to the Virginia Lottery’s financial accounting records and to the Power Play Prize Settlement Report as of March 31, 2011 and found them to be in agreement.

We were not engaged to, and did not perform an audit or an examination, the objective of which would be the expression of an opinion on the specified financial information associated with Power Play. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Members of the Virginia State Lottery Board
July 6, 2011

This report is intended solely for the information and use of the Virginia Lottery and Member Lotteries as specified above and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

EJR/clj

AUDITOR OF PUBLIC ACCOUNTS

POWER PLAY
VIRGINIA LOTTERY DEPARTMENT
VIRGINIA DRAW ACTIVITY
From January 31, 2010 through March 31, 2011

Exhibit I

<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>
2/3/2010	\$ 189,453	\$ 22,990	\$ 25,274
2/6/2010	138,627	34,098	32,616
2/10/2010	112,738	50,088	55,979
2/13/2010	130,752	45,216	53,506
2/17/2010	126,309	50,928	41,437
2/20/2010	137,073	15,023	15,230
2/24/2010	130,737	15,373	17,948
2/27/2010	145,538	16,733	17,641
3/3/2010	150,158	55,464	62,195
3/6/2010	166,211	19,013	21,600
3/10/2010	164,704	17,977	19,956
3/13/2010	191,458	98,160	96,504
3/17/2010	120,090	14,027	14,420
3/20/2010	125,922	25,448	16,951
3/24/2010	119,019	31,364	34,019
3/27/2010	129,830	52,641	50,191
3/31/2010	126,902	63,084	62,397
4/3/2010	151,826	85,860	69,190
4/7/2010	144,523	16,125	21,022
4/10/2010	160,206	17,222	21,754
4/14/2010	158,704	37,560	38,691
4/17/2010	194,646	87,640	102,484
4/21/2010	214,692	824,723	98,707
4/24/2010	126,314	15,900	106,254
4/28/2010	118,545	77,349	68,428
5/1/2010	144,707	50,049	54,065
5/5/2010	141,654	51,006	128,593
5/8/2010	147,157	107,360	238,720
5/12/2010	149,676	15,930	16,087
5/15/2010	164,327	30,177	24,138
5/19/2010	165,943	39,878	46,825
5/22/2010	177,461	19,381	21,238
5/26/2010	170,457	100,881	217,304
5/29/2010	211,471	117,870	158,932
6/2/2010	231,266	80,151	87,718
6/5/2010	137,282	50,250	56,224
6/9/2010	130,321	51,303	51,415
6/12/2010	138,082	151,299	329,088
6/16/2010	139,628	73,884	85,135
6/19/2010	149,850	36,708	39,802
6/23/2010	143,646	38,892	41,265
6/26/2010	125,323	44,466	45,100
6/30/2010	122,206	57,140	60,973
7/3/2010	140,419	32,936	34,955

POWER PLAY
VIRGINIA LOTTERY DEPARTMENT
VIRGINIA DRAW ACTIVITY
From January 31, 2010 through March 31, 2011

Exhibit I

<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>
7/7/2010	127,955	15,471	15,257
7/10/2010	145,218	54,957	136,450
7/14/2010	115,462	28,398	28,359
7/17/2010	125,189	73,848	57,888
7/21/2010	116,791	50,240	37,066
7/24/2010	130,418	14,536	18,163
7/28/2010	123,631	62,064	67,017
7/31/2010	149,516	34,728	34,712
8/4/2010	112,994	36,681	37,520
8/7/2010	120,694	62,108	152,657
8/11/2010	113,143	16,323	16,730
8/14/2010	128,965	14,011	15,468
8/18/2010	120,871	28,540	28,602
8/21/2010	142,192	44,832	28,492
8/25/2010	105,658	25,036	114,672
8/28/2010	113,400	42,657	57,581
9/1/2010	106,248	25,678	31,626
9/4/2010	117,815	13,727	14,991
9/8/2010	107,192	49,124	53,287
9/11/2010	123,948	40,053	127,608
9/15/2010	121,458	57,688	64,487
9/18/2010	146,076	55,158	133,083
9/22/2010	100,066	45,200	50,829
9/25/2010	111,600	23,391	16,578
9/29/2010	98,189	34,920	39,580
10/2/2010	119,424	49,500	49,231
10/6/2010	108,061	50,604	55,195
10/9/2010	103,816	21,658	23,069
10/13/2010	92,802	32,472	35,131
10/16/2010	105,634	24,805	95,295
10/20/2010	97,787	26,912	103,765
10/23/2010	109,607	40,143	46,394
10/27/2010	103,813	86,716	55,400
10/30/2010	120,532	57,512	136,691
11/3/2010	127,071	14,127	87,456
11/6/2010	137,902	49,116	64,557
11/10/2010	91,022	70,812	44,256
11/13/2010	100,577	46,648	48,666
11/17/2010	93,838	23,034	22,621
11/20/2010	104,959	84,444	49,041
11/24/2010	104,400	26,412	27,988
11/27/2010	100,704	47,456	47,031
12/1/2010	112,053	62,714	193,057
12/4/2010	97,038	47,424	208,034
12/8/2010	84,203	27,024	29,048

POWER PLAY
VIRGINIA LOTTERY DEPARTMENT
VIRGINIA DRAW ACTIVITY
From January 31, 2010 through March 31, 2011

Exhibit I

<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>
12/11/2010	96,100	35,812	166,377
12/15/2010	82,966	41,392	124,498
12/18/2010	90,629	32,475	42,913
12/22/2010	89,314	11,512	12,806
12/25/2010	84,844	10,019	10,061
12/29/2010	78,485	10,300	11,324
1/1/2011	89,950	9,324	10,582
1/5/2011	91,575	48,768	54,953
1/8/2011	93,175	12,347	11,914
1/12/2011	88,297	32,958	37,724
1/15/2011	105,277	25,700	29,942
1/19/2011	102,577	21,072	23,316
1/22/2011	119,633	13,869	82,146
1/26/2011	72,497	36,628	18,458
1/29/2011	86,166	58,869	36,653
2/2/2011	81,687	26,121	32,607
2/5/2011	94,298	46,560	45,299
2/9/2011	88,356	32,262	35,551
2/12/2011	99,723	36,990	37,828
2/16/2011	104,398	14,429	14,068
2/19/2011	118,238	53,476	58,310
2/23/2011	117,603	26,540	27,451
2/26/2011	137,165	77,644	75,435
3/2/2011	79,604	828,668	77,915
3/5/2011	87,959	20,691	13,542
3/9/2011	78,468	10,039	10,753
3/12/2011	89,516	65,385	36,877
3/16/2011	86,699	20,456	88,092
3/19/2011	98,616	813,590	83,379
3/23/2011	107,728	13,434	149,976
3/26/2011	127,458	146,118	203,926
3/30/2011	115,813	35,652	102,255
Total	<u>\$14,830,599</u>	<u>\$7,447,569</u>	<u>\$7,469,531</u>

POWER PLAY
VIRGINIA LOTTERY DEPARTMENT
FIXED PRIZE ANALYSIS
From January 31, 2010 through March 31, 2011

Exhibit II

State	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In (Outs)	Receivable (Payable)
Georgia	\$ 4,056,540	\$ 4,963,788	\$(1,158,076)	\$ 250,828
Illinois	7,356,161	8,908,305	(1,230,971)	(321,173)
Maryland	4,612,842	3,369,484	1,747,573	(504,215)
Massachusetts	3,206,095	3,972,108	(1,032,402)	266,389
Michigan	6,665,127	7,687,796	(1,006,012)	(16,657)
New Jersey	8,274,423	10,056,215	(1,351,380)	(430,412)
New York	13,753,596	8,922,164	4,272,644	558,788
Ohio	9,225,962	8,471,707	1,005,023	(250,768)
POWER PLAY				
Texas	13,087,747	13,109,124	192,479	(213,856)
Virginia	7,447,569	7,469,531	(922,107)	900,145
Washington State	<u>1,296,392</u>	<u>2,052,232</u>	(516,771)	(239,069)
Total	<u>\$78,982,454</u>	<u>\$78,982,454</u>		